

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT
LB1089

Hearing Date: Wednesday February 07, 2018
Committee On: Revenue
Introducer: Smith
One Liner: Change provisions relating to confidential tax information, refundable income tax credits, and homestead exemptions

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Friesen, Brasch, Groene, Harr, Lindstrom, Schumacher, Smith
Nay:		
Absent:	1	Senator Larson
Present Not Voting:		

Verbal Testimony:

Proponents:

Mary Jane Egr Edson

Tony Fulton

George Kilpatrick

Representing:

Legal Counsel Revenue Committee - Introducing on behalf of Senator Jim Smith

Tax Commissioner - Nebraska Department of Revenue
Nebraska Department of Revenue

Opponents:

Tom Placzek

Representing:

Nebraska Association of County Officials

Neutral:

Representing:

Summary of purpose and/or changes:

LB 1089 is the annual administrative clean-up bill of the Nebraska Department of Revenue. It would allow a reassessment for property destroyed by a major calamity and touch on confidential information, refundable tax credits, and homestead exemptions.

Specifically, LB 1089 would assure that audit selection criteria and standards, discovery techniques, and the design of automated detection systems are confidential information.

Section 2 would allow property that is destroyed by a major calamity to be reassessed until July 20 of the tax year.

Section 3 would provide that a refundable tax credit is only an overpayment to the extent that the refundable credit exceeds tax liability.

LB 1089 would streamline and simplify the homestead exemption program by:

1. Merging the classification for an unremarried spouse of a serviceperson who died while on active duty into the classification granted for disabled veterans or their spouses;

2. Clarifying language regarding transfers of homestead exemptions when the recipient moves;
 3. Eliminating the difference between original applications for a homestead exemption and the certification that nothing has changed in later years;
 4. Requiring the notice of rejection of a homestead exemption for any reason to be sent within 10 days after the rejection;
 5. Changing the deadline for filing an Application for Transfer of Nebraska Homestead Exemption from either August 15 or to within 30 days of receiving a Notice of Rejection of Homestead Exemption; and
 6. Including the county assessor with the county treasurer as the county officials responsible for certifying the lost tax revenue due to granted homestead exemptions.
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Explanation of amendments:

The amendment to LB1089 makes the following changes:

1. Strikes the section addressing real property valuation following a major disaster;
2. Adds language to the Homestead Program in order to properly calculate annual inflation adjustments for household income, in light of the federal tax changes that now utilize a different calculation for inflation adjustments; and
3. Clarifies that certain information used by the Department of Revenue to detect fraud and other inconsistencies is confidential except as necessary for tax enforcement purposes and as authorized for the Legislative Office of Performance Audit under section 50-1213.

Jim Smith, Chairperson